

EXHIBIT 16

**UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF TEXAS
BEAUMONT DIVISION**

CONN CREDIT I, LP,

Plaintiff,

v.

TF LOANCO III, LLC,

Defendants.

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CIVIL ACTION NO. 1:14-cv-00429

DECLARATION OF HELGA ZAUNER

1. My name is Helga Zauner. I am over eighteen years old and am fully competent and authorized in all respects to make this Declaration. Each statement of fact contained in this Declaration is within my personal knowledge and is true and correct.

2. I am a Director in the Litigation Consulting group at HSSK, LLC in Houston, Texas. I have 20-years' experience in Litigation Consulting, Financial Analysis, Budgeting, Reporting and Cash Flow Analysis, and Forecasting. I specialize in Forecasting Techniques, Time Series Analysis, and Econometrics. I also have extensive experience in Quantitative and Data analysis.

3. I earned a B.S. in Mathematics, with a minor in Computer Science, in 1991 from the Facultad de Matematicas, Universidad de Guanajuato, Guanajuato, Mexico. In 1993, I earned a M.B.A. in Finance from the Boston College Carroll Graduate School of Management, Boston, Massachusetts.

4. I am also accredited and licensed as a Certified Fraud Examiner by the Association of Certified Fraud Examiners; as a Certified Valuation Analyst by the National

Association of Certified Valuers and Analysts; and as Master Analyst in Financial Forensics by the National Association of Certified Valuers and Analysts.

5. I served as an associate professor for four years at Universidad de Guanajuato, Guanajuato, Mexico, where I taught courses in Finance, Econometrics and Statistics, and where I did applied research in Financial Analysis, Investments, Project Analysis, Time Series, Forecasting and Econometrics. I have also consulted for the State of Guanajuato in the areas of Econometrics and Financial Analysis.

6. I have been retained by Michael A. (“Mitch”) Ackal, III and Preston T. Kamin of the law firm Gray Reed & McGraw, P.C. to analyze certain issues described in more detail below on behalf of TF LoanCo III, LLC (“TFLoanCo”) in the above-referenced lawsuit. More specifically, I have analyzed certain issues regarding the sale of 53,779 consumer accounts by Conn Credit I, LP (“Conn”) to TFLoanCo pursuant to a certain Purchase and Sale Agreement dated April 30, 2014 (the “PSA”).

7. A true and correct copy of my report dated March 1, 2016 is attached hereto as Exhibit 1.

8. I determined that 26,418 out of the 53,779 accounts sold by Conn to TFLoanCo had unexpired retail service agreements or extended warranties (collectively referred to as an “RSA”) pending at the time Conn charged-off the accounts. To make this determination, I analyzed a Microsoft Excel spreadsheet produced by Conn on October 6, 2015, with the file name “Trax accounts_100515.xlsx” (referred to herein as “Conn’s Internal Data”). Conn’s Internal Data includes information for each account, including the date Conn’s charged-off the account, whether an RSA was purchased by a consumer, and if so, the date the RSA expired. I compared the expiration date of the RSA for each account with the charge-off date for each

account. I determined that 26,418 accounts had unexpired RSA's pending as of the date of charge-off.

9. After I identified the 26,418 accounts that had unexpired RSA's pending as of the date of charge-off, I cross-referenced the account numbers for those 26,418 accounts with the account numbers contained in the Bills of Sale for the Bulk Delivery, Delivery (Flow) 1, and Delivery (Flow) 2 under the PSA. Therefore, I was able to determine that TFLoanCo paid exactly \$3,687,764.25 for those 26,418 accounts. A true and correct list of the 26,418 accounts and the amount TFLoanCo paid for each of those accounts is contained in my expert report under "List 1."

10. I also compared the Account Classification for each account listed in the Bills of Sale for the Bulk Delivery, Delivery (Flow) 1, and Delivery (Flow) 2 with the Account Classification for each corresponding account listed in Conn's Internal Data. I determined that 13,996 accounts have different Account Classifications in the Bills of Sale when compared to the Account Classifications in Conn's Internal Data.

11. Specifically, 1,160 accounts classified as "Fresh Charge-Offs" in the Bill of Sale for the Bulk Delivery are classified as "Judgments" in Conn's Internal Data. 1,332 accounts classified as "Fresh Charge-Offs" in the Bill of Sale for the Bulk Delivery are classified as "Dismissed Bankruptcies" in Conn's Internal Data. Two (2) accounts classified as "Fresh Charge-Offs" in the Bill of Sale for the Bulk Delivery are classified as "N/A" in Conn's Internal Data.

12. 2,288 accounts classified as "Judgments" in the Bill of Sale for the Bulk Delivery are classified as "Uncollected Charge-Offs" in Conn's Internal Data. 465 accounts classified as "Judgments" in the Bill of Sale for the Bulk Delivery are classified as "Flow 2" in Conn's

Internal Data. 2,173 accounts classified as “Judgments” in the Bill of Sale for the Bulk Delivery are classified as “Dismissed Bankruptcies” in Conn’s Internal Data. One (1) account classified as a “Judgment” in the Bill of Sale for the Bulk Delivery is classified as “N/A” in Conn’s Internal Data.

13. 2,569 accounts classified as “Dismissed Bankruptcies” in the Bill of Sale for the Bulk Delivery are classified as “Uncollected Charge-Offs” in Conn’s Internal Data. 574 accounts classified as “Dismissed Bankruptcies” in the Bill of Sale for the Bulk Delivery are classified as “Flow 2” in Conn’s Internal Data. 2,398 accounts classified as “Dismissed Bankruptcies” in the Bill of Sale for the Bulk Delivery are classified as “Judgments” in Conn’s Internal Data. One (1) account classified as a “Dismissed Bankruptcy” in the Bill of Sale for the Bulk Delivery is classified as “N/A” in Conn’s Internal Data.

14. 229 accounts classified as “Fresh Charge-Offs” in the Bill of Sale for Delivery (Flow) 1 are classified as “Judgments” in Conn’s Internal Data. 296 accounts classified as “Fresh Charge-Offs” in the Bill of Sale for Delivery (Flow) 1 are classified as “Dismissed Bankruptcies” in Conn’s Internal Data.

15. 235 accounts classified as “Fresh Charge-Offs” in the Bill of Sale for Delivery (Flow) 2 are classified as “Judgments” in Conn’s Internal Data. 273 accounts classified as “Fresh Charge-Offs” in the Bill of Sale for Delivery (Flow) 2 are classified as “Dismissed Bankruptcies” in Conn’s Internal Data.

16. After I identified the 13,996 accounts that have different Account Classifications in the Bills of Sale when compared to the Account Classifications in Conn’s Internal Data, I cross-referenced the account numbers for those 13,996 accounts with the account numbers contained in the Bills of Sale for the Bulk Delivery, Delivery (Flow) 1, and Delivery (Flow) 2.

Therefore, I was able to determine that TFLoanCo paid exactly \$1,645,556.38 for those 13,996 accounts. A true and correct list of the 13,996 accounts and the amount TFLoanCo paid for each of those accounts is contained in my expert report under “List 2” and “List 3.”

17. Out of the 13,996 accounts that have different Account Classifications in the Bills of Sale when compared to the Account Classifications in Conn’s Internal Data, I determined that 5,764 accounts were classified in Conn’s Internal Data as “Uncollected Charge-Offs” or “Flow 2” but that had a charge-off date prior to October of 2013.

18. Specifically, 1,000 accounts classified as “Uncollected Charge-Offs” in Conn’s Internal Data were charged-off between years 1982 through 1999. 919 accounts classified as “Uncollected Charge-Offs” in Conn’s Internal Data were charged-off between years 2000 through 2004. 1,083 accounts classified as “Uncollected Charge-Offs” in Conn’s Internal Data were charged-off between years 2005 through 2009. 1,749 accounts classified as “Uncollected Charge-Offs” in Conn’s Internal Data were charged-off from January 2010 through September 2013.

19. 44 accounts classified as “Flow 2” in Conn’s Internal Data were charged-off between years 1982 through 1999. 133 accounts classified as “Flow 2” in Conn’s Internal Data were charged-off between years 2000 through 2004. 381 accounts classified as “Flow 2” in Conn’s Internal Data were charged-off between years 2005-2009. 455 accounts classified as “Flow 2” in Conn’s Internal Data were charged-off from January 2010 through September of 2013.

20. After I identified the 5,764 accounts classified in Conn’s Internal Data as “Uncollected Charge-Offs” or “Flow 2” but that had a charge-off date prior to October of 2013, I cross-referenced the account numbers for those 5,764 accounts with the account numbers


contained in the Bills of Sale for the Bulk Delivery, Delivery (Flow) 1, and Delivery (Flow) 2. Therefore, I was able to determine that TFLoanCo paid exactly \$727,419.01 for those accounts. A true and correct list of the 5,764 accounts and the amount TFLoanCo paid for each of those accounts is contained in my expert report under "List 2."

21. I also reviewed Conn's buy-back response transmitted to TFLoanCo pursuant to Section 6.3 of the PSA. Conn identified 1,013 accounts falling within the categories outlined in Section 6.1 of the PSA. TFLoanCo paid \$105,370.51 for those 1,013 accounts.

22. Finally, I compared the account numbers for (1) the 1,013 Section 6.3 buy-backs, (2) the 13,996 accounts that have different Account Classifications in the Bills of Sale when compared to the Account Classifications in Conn's Internal Data, and (3) the 26,418 accounts that had unexpired RSA's pending as of the date of charge-off. I eliminated the duplicate accounts that appeared across these three categories. After removing the duplicates, I determined that there are 35,609 unique accounts that collectively correspond to one of the three categories described in the first sentence of this paragraph. By comparing these 35,609 account numbers to the Bills of Sale for the Bulk Delivery, Delivery (Flow) 1 and Delivery (Flow) 2, I was able to determine that TFLoanCo paid exactly \$4,645,703.62 for those 35,609 accounts. A true and correct list of the 35,609 accounts and the amount TFLoanCo paid for each of those accounts is contained in my expert report under "List 4."

23. Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct.

Executed on March 16, 2016.



HELGA ZAUNER